

London Borough of Enfield

Schools Forum
 Education Resources Group

Meeting Date 6th July 2022
 Meeting Date 21st June 2022

Subject: DSG Budget Outturn Report 2021/22

Cabinet Member: Cllr Abdul Abdullahi

Report Number: 1

Item Number:5a

Purpose of Report

This report provides details of the DSG outturn position for 2021/22 including confirmation of the final DSG allocation from the EFA as at March 2022.

Proposal

To note the contents of the report and the DSG cumulative deficit position for 31 March 2022.

Relevance to the Council's Council Plan

The Dedicated Schools Grant (DSG) is a ringfenced grant which funds schools and some central education functions. Updates on the DSG position are provided on a quarterly basis to EMT and Cabinet as part of the council's overall financial monitoring reports.

Main Considerations for ERG and Schools Forum

1. Cumulative DSG Deficit Position

Table 1 sets out the cumulative DSG deficit position as at 31 March 2021. The closing cumulative balance of -£8.049 is held in a council reserve and is the starting point for the 2021/22 DSG monitoring position.

Table 1 – Accumulated DSG Carry Forward 2020/21

	£'000s
Balance brought forward 1 April 2020	(4.482)
Net Overspend 2020/21	(3.567)
Cumulative Deficit Balance 31 March 2021	(8.049)
Outstanding Adjustments 2020/21	0.950
Net 2020/21 Carry Forward	(8.999)

The outstanding adjustments for 2020/21 largely related to the clawback of Early Years funding and this was confirmed by the ESFA in the Autumn term. The clawback was confirmed as -£585k which was lower than originally estimated due to additional data collections held in 2020/21 to identify trends in pupil numbers following Covid and these had a positive impact on funding for Enfield.

2. DSG Allocation 2021/22

The original estimate of gross DSG resources for 2021/22 amounted to £373.187m. Of this amount £2.1m would be provided direct by the Education and Skills Funding Agency (ESFA) to fund places in mainstream academy units and academy special schools. Budget allocations for 2021/22 were agreed within this level of resources.

During 2021/21 revised DSG allocations were published, with the final allocation released in March 2022. The revised allocations reflected updated academy and college recoupment for the Schools Block and High Needs Block and updated the Early Years Block allocation for pupil

numbers collected via the termly returns. The final DSG position for 2021/22 is summarised in Table 2.

Table 2 – DSG Allocation 2021/22

DSG Summary 2021/22	ORIG 2021/22	Academy Recoup	Import/Export Adj 21/22	Early Years Adj 21/22	REVISED 2021/221
	£000	£000	£000	£000	£000
SCHOOLS BLOCK	283.399	-145.835			137.564
CENTRAL SERVICES	2.537				2.537
EARLY YEARS BLOCK	26.554			-2.071	24.483
HIGH NEEDS BLOCK	60.697		-0.234		60.463
GROSS DSG	373.187	-145.835	-0.234	-2.071	225.047
HIGH NEEDS RECOUPMENT	-2.100	-0.069			-2.169
NET TOTAL DSG	371.087	-145.904	-0.234	-2.071	222.878

3. DSG Monitoring Update 2021/22

The DSG budget is monitored on a quarterly basis and any variances are shared with Schools Forum and DMT. The table below shows the outturn position for 2021/22 as at 31st March 2022.

Table 3 – DSG Outturn 2021/22 as at 31/03/2022

DSG Monitor 2021/22	b/f	Q1	Q2	Q3	Outturn	Outturn-Q3
	£000	£000	£000	£000	£000	£001
DSG Deficit b/f 01/04/2021	8,048					
Schools Block						
Funds moved to Rolling Credit		-450	-450	-450	-430	20
Growth Fund		0	0	-150	-150	-0
Maint Schls Rates Adj		0	0	0	-60	-60
Schools Block Total		-450	-450	-600	-640	-40
Central Schools Services Block						
CSSB Contingency		0	0	0	-143	-143
Licences		0	0	0	20	20
Appeals Team		-38	-16	-10	-16	-6
CSSB Total		-38	-16	-10	-140	-130
Early Years Block						
Funding Clawback 20/21		1,330	1,330	585	585	0
EY Allocations 21/22		0	0	0	77	77
Early Years Block Total		1,330	1,330	585	662	77
High Needs Block						
Variance from initial 21/22		3,108	3,108	3,108	3,121	13
Adjusted HN Block 21/22		0	0	234	307	73
ARPs & Special Units		0	-13	-21	96	117
Special Schools		0	116	-592	-652	-60
Nurture Groups		0	-226	-226	-256	-30
New Early Interventions		0	-113	-213	-110	103
Exceptional Needs		0	0	200	261	61
Outborough Placements		-18	1,369	2,216	1400	-816
Post 16 SEN Placements		0	0	0	316	316
SEN Team		0	333	333	277	-56
Behaviour Support Service		0	0	-55	-25	30
Therapies		0	161	256	352	96
Unplaced Pupils		0	0	0	-221	-221
Admissions & Educ Welfare		0	0	0	-62	-62
Designated Soc Care Officer		0	0	0	19	19
Durants Refurb Contrib		-56	-56	-56	-56	0
Parenting Support		63	66	66	26	-40
Misc. HNB Budgets		0	0	0	-104	-104
High Needs Block Total		3,097	4,745	5,250	4,689	561
DSG Monitoring Position 21/22		3,939	5,610	5,225	4,570	-654
Cumulative DSG TOTAL 21/22	8,048	11,987	13,657	13,272	12,618	

The main changes between the outturn position and Q3 monitor are as follows

- Schools Block - Rates – rates funding adjusted for maintained schools to reflect actual bills received for 21/22
- CSSB – Contingency – contingency not required in year and underspend used to offset overall DSG overspend/deficit
- Early Years Block 21/22 – small overspend resulting from allocations for 2 and 3/4 year olds being higher than the funding received. It is expected that we will receive a positive funding adjustment in 22/23 in respect of 21/22 to reflect increasing nos in early years settings
- Adjusted HNB Allocation 21/22 – to reflect latest import/export adj
- ARPs – overspend due to new ARPs and Special Unit and vacant places filling up
- Special Schools – reduction on projected expenditure as increase in places lower than expected
- Early Interventions – year 1 expenditure lower than projected due to delays in recruitment
- Outborough Placements – outturn position lower than projected at Q3 due to placements ending and some costs being re-assigned to Post 16 SEN budget area.
- Post 16 SEN – reflects actual outturn expenditure including some costs from Outborough Placements as students now 16+
- Exceptional Needs - £500k contingency utilised for autumn and summer term adjustments. Exp for spring term adjustments slightly higher than the £200k projection.
- Therapies – increased costs for speech and language provision in special schools
- Unplaced Pupils – budget provision not fully utilised in year and used to contribute to overall deficit position

Conclusions

The DSG budget remains under considerable pressure due to ongoing high needs overspends but it is positive to note that due to some changes and underspend in the last quarter, the total overspend is significantly lower than projected in Q3. As part of an ongoing programme, additional in borough places have been made available from September 2022, including the opening of the new Salmons Brook School, providing the most cost effective way of meeting pupil needs. New early intervention programmes introduced from September 2021 to identify and pupils with special needs as early as possible and provide them with support with the aim of reducing the longer term financial impact will be operational for a full year in 22/23.

The cumulative DSG deficit of £12.618m will be carried forward to 2022/23 and updates on the in year monitoring position will be provided at each meeting.

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Appendices

None

Background Papers

DSG Updates to ERG/Schools Forum during 2021/22 financial year.